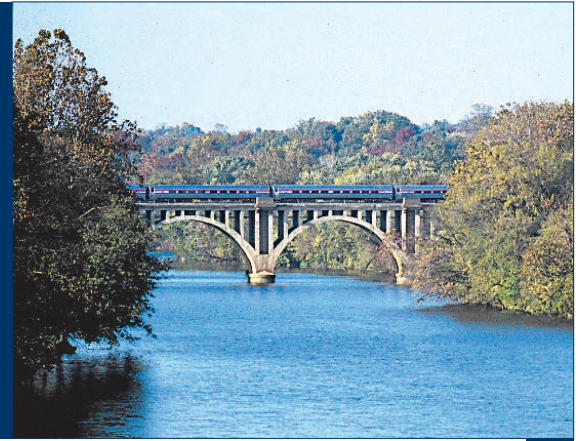


FEBRUARY 2012

Fredericksburg, Virginia

ECONOMIC DEVELOPMENT & TOURISM NEWS



Welcome!

We are pleased to send the quarterly issue of the **Fredericksburg Economic Development & Tourism News**. The goal of this newsletter is to share news about our local business community with city leaders and business owners. Your comments, suggestions and questions are welcome; please write to rmtremblay@fredericksburgva.gov.

[CLICK HERE TO JOIN OUR NEWSLETTER MAILING LIST](#) and to get other updates and announcements from the Fredericksburg Department of Economic Development and Tourism.

Economic Development Quick Takes



- Another new restaurant will open this summer along the vibrant William Street Corridor.
- Restaurant Week, held in January, was the most successful event in the promotion's six-year history.
- The deadline for submitting EDA JumpStart! Grants and Façade Matching Grants is March 1.
- The Main Street Exploratory Committee reports strong support for the possible program in Fredericksburg.
- E-commerce matching grants are available for existing small businesses and non-profits.



New Restaurant Coming to Bustling William Street Corridor

A new dining venue is coming this summer to the vibrant William Street Corridor. Blake and Aby Bethem, who own the popular Bistro Bethem, have purchased a building across the street, 314 William St., and are renovating it into a second restaurant. The building was formerly occupied by Wegner Wildlife Gallery.

[More](#)



From Cupcakes to Cymbals... 10 New Businesses Open in City

A mix of retail stores, eateries and businesses opened in the city during the 4th Quarter of 2011. These new businesses and business expansions span over 80,000 square feet in locations throughout the city.

[More](#)



Main Street Update

The Main Street Exploratory Committee of the Economic Development Authority made its report to City Council and the EDA in December. The committee found that strong support exists among downtown merchants, property owners, other businesses and citizens for establishing a Fredericksburg Main Street. Click [HERE](#) to read the committee's full report.

Scarlett Pons, PONSHOP Studio and Paul Cymrot, Riverby Books, have volunteered to lead the effort to form a Main Street board, develop goals and a fair and steady funding plan and adopt governing documents. Click [HERE](#) to read about how to get involved.



New Leases & Sales – 4th Quarter

A variety of businesses throughout the city engaged in new leases and sales during the last quarter of 2011. The new leases total almost 80,000 square feet and commercial sales were almost \$13 million for the quarter.

[More](#)

EDA JumpStart! Grants and Façade Matching Grants Deadline is March 1

Businesses, arts organizations, not-for-profits and event sponsors are encouraged to discuss their grant requests with Economic Development and Tourism staff prior to submittal by the March 1 deadline. Please contact [Richard Tremblay](#) or [Amy Peregoy](#) or call (540) 372-1216.

To view the JumpStart! Grant guidelines and application please click [HERE](#).

To view a current listing of recent and past grants, click [HERE](#).

To view the Façade Matching Grants criteria and application please click [HERE](#).



E-Commerce Business Assistance Matching Grants

The Fredericksburg Economic Development Authority, in cooperation with Vectec, a not-for-profit technology solutions organization, is offering existing small businesses and non-profit organizations in the city the opportunity to expand their businesses through a 50/50 E-commerce matching grant. Funds are available on a first-come, first-served basis. The maximum grant amount is \$2,500 except for Virginia certified small woman- or minority-owned businesses (SWaM) for which the maximum grant is \$3,500.

To review the services offered by Vectec, review the program process and complete the E-commerce grant application, please click [HERE](#).

The applications are submitted online to the Department of Economic Development and Tourism. For additional information and questions, please contact [Richard Tremblay](#), or call (540) 372-1216.



City Issues Licenses to Numerous Businesses

The city issued 13 business licenses to a variety of businesses during the 4th Quarter 2011. The list does not include home-based businesses, contractors, or additions to existing businesses or festivals.

[More](#)



Preliminary Plan Meetings Streamline Construction Approvals

In order to streamline the approval of plans for commercial construction projects, city staff offer applicants the opportunity to meet with representatives with all departments involved in permitting, inspections and land use approvals at one time. This is intended to help applicants better plan their work with the city and results in a more coordinated approach to the approval process.

The following are some of the businesses which have participated:

- Carico, 1300 Belman Road, Battlefield Industrial Park – site plan for 4,920 SF new building.
- Gregg Charles, 1630 and 1640B Lafayette Boulevard – special use permit for a barber and cosmetology trade school.
- Sweet Frog frozen yogurt shop, 1211 Jefferson Davis Highway, Eagle Village, 1,758 SF – building renovations and change of use.
- Happy Clam at Barefoot Greens, 1017 Sophia Street, 49 seat restaurant and seafood counter – parking requirements and build-out.



**Mary Washington
Healthcare**

Creating a Destination Cancer Center

In January, the region's first two stereotactic radiosurgeries (SRS) were performed. The first on a brain tumor and the second on a lung tumor. This innovative new procedure is offered at Mary Washington Healthcare's (MWHC) new Regional Cancer Center. Our Regional Cancer Center is the only center offering this procedure within a 60 mile radius, and only one of 12 worldwide using the most advanced level of SRS.

[More](#)



Eagle Village-MWH Campus Connector Road to Open Soon



The connector drive from Eagle Village to the Mary Washington Hospital campus will open this month, according to Jeff Rountree, Chief Executive Officer of the University of Mary Washington Foundation. Eagle Village is a mixed-use development across U.S. 1 from the University of Mary Washington campus.

[More](#)



Entrepreneurs Take Note: UMW Can Assist You in Many Ways

With its official opening at Eagle Village in January, the University of Mary Washington Office of Entrepreneurship is poised to offer several new and innovative services to business owners in the Fredericksburg area. The core of the office is the UMW Small Business Development Center, formerly the Rappahannock Region SBDC, which has been serving the region for two decades.

[More](#)



Learn About Upcoming City Plans and Initiatives

Business owners and operators along key commercial corridors in the city meet with staff from the Department of Economic Development and Tourism regularly to learn about upcoming plans and initiatives. The groups share development plans, updates, ideas and suggestions. This information can be beneficial to their business and helps develop an ongoing dialogue with city staff.

The businesses targeted in the semi-annual or quarterly meetings are located in the Route 1 Corridor, Princess Anne Street Corridor and Battlefield Industrial Park. Meetings are held with commercial sales and leasing agents and property managers, as well as HUBZone businesses. Each meeting provides valuable networking opportunities and features guest speakers.

[More](#)

City Council Approves Two New Downtown Incentive Agreements

Local residents and tourists will soon have two more excellent choices in a dining, thanks to Tourism Zone incentive agreements approved by City Council during the last quarter of 2011.

Aby and Blake Bethem, owners of Bistro Bethem, will open a second restaurant this June. The planned gourmet hamburger restaurant and lounge at 314 William St. was granted a Downtown Tourism Zone incentive. See the related feature story in this issue.



The Happy Clam, a well-known restaurant name to local and regional residents, will once again offer a seafood dining and a seafood counter in the city. Council approved a Downtown Tourism Zone incentive for the Happy Clam at Barefoot Greens, 1017 Sophia St. Richard Moncure, who operated the Happy Clam in Colonial Beach from 1978 to 2003, and his partner Rand Sompayrac plan to open the 49-seat restaurant and seafood counter in April. Based on its job creation, the business qualified for a 50 percent reduction in its business license tax and a 10 percent reimbursement of its meals and local sales taxes over a five year period up to a maximum incentive of \$32,000.



4th Quarter Commercial Construction Permits

The following commercial construction permits were issued during the 4th Quarter of 2011:

OCTOBER

- None

NOVEMBER

- CBAI, tenant build-out, 5,070 SF, 1125 Jefferson Davis Highway, Suite 280, Eagle Village office building
- Greensboro Pathology, medical office build-out, 1,464 SF, 1500 Dixon Street, Surgi-Center Building

DECEMBER

- 462 Central Road – tenant build-out, 732 SF, business and storage use
- 3120 Cowan Boulevard – Randstad., 1,200 SF, business use
- 1300 Hospital Drive – Dr. Mercado, 4,900 SF, medical office

4th Quarter Commercial Occupancy Permits

The following Commercial Occupancy Permits were issued during the 4th Quarter of 2011:



OCTOBER

- 1125 Jefferson Davis Highway, Suite 350, Eagle Village— Educational Services, 4,008 SF
- 445 Jefferson Davis Highway, Your Décor Consignment Furniture, 7,600 SF
- 1301 Sam Perry Boulevard, Suite 200, Lloyd F. Moss Free Clinic— CDS Auditorium, 15,101 SF
- 1500 Dixon Street, Surgi Center, 18,423 SF Medical Office
- 1500 Dixon Street, Fred Oncology, 3,878 SF Medical Office
- 1931 Plank Road, Suite 209 – Cox Communication, 1,638 SF
- 911 Charles Street, Artful Dimensions Gallery, 4,232 SF
- 1630 Lafayette Boulevard, Blue Man Barber, 600 SF
- 1221 Jefferson Davis Highway, Crystal Car Wash
- 1381 Belman Road, Free Lance Star, 88,849 SF
- 2100 Princess Anne Street, Family Diner, 1,688 SF

NOVEMBER

- 205 William Street – Old Town Yarnery, Retail, 1,300 SF
- 1125 Jefferson Davis Highway, Suite 240, Fredericksburg Regional Alliance, Office, 2,000 SF
- 409 William Street – F.W. Sullivan's, Restaurant, 174 Seats
- 1004 Charles Street, Avanti Hair Salon, 4 Stations
- 1351 Belman Road, M & M Dismantling Area, 17,307 SF



DECEMBER

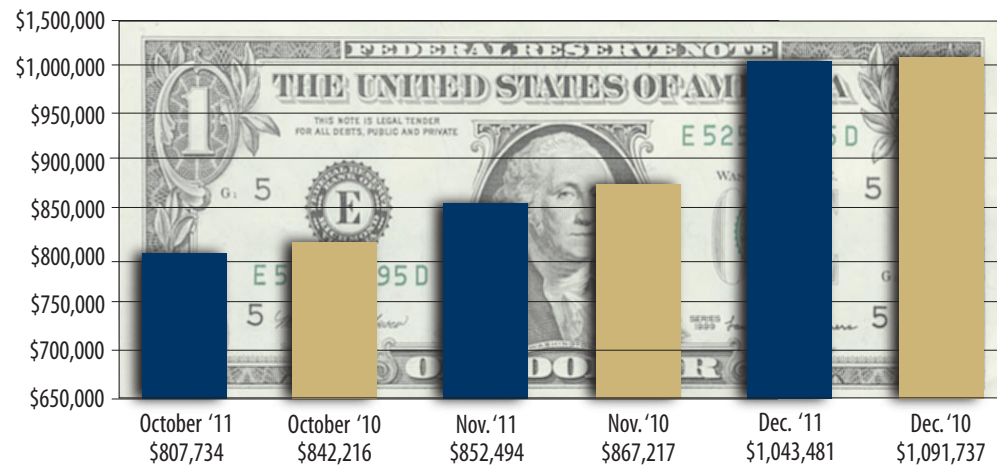
- 401 William Street – Olde Towne Butcher, Expansion, 1,062 SF
- 1601 Princess Anne Street – MacDoc Realty, Property Management Office, 1,500 SF
- 210 Executive Center Parkway, Snowden Executive Center – Medical Office, 3,285 SF

City 4th Quarter & 2011 Sales Taxes Down Slightly

City sales tax revenues for the 4th Quarter were down slightly (3%) as compared to 2010. The city's annual sales taxes (\$10,132,875) were also slightly lower (1%) than in 2010 (\$10,227,956.)

Fredericksburg's share (1%) of the state 5% sales tax typically accounts for about 13% of the city's annual budget. It is the second largest source of revenue to the city, behind real estate taxes (33%.)

FREDERICKSBURG 4th QTR SALES TAX REVENUES



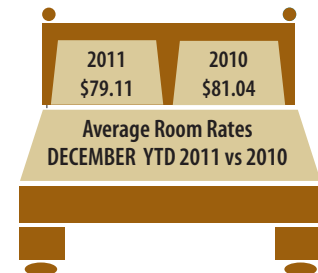
Quarterly Totals: 2011: \$2,703,709 2010: \$2,801,170

Hotel Occupancy Rates Up for the 4th Quarter

Although average room rates are down, hotel occupancy and revenue per available room (RevPar) are up for the 4th quarter of 2011 over last year.



% OCCUPANCY – DECEMBER YTD 2011 vs 2010



Hotel Tax Revenues Up for 4th Quarter

The city's room tax revenue was up 6.4% for the 4th quarter, reflecting improved occupancy levels and increased revenue per available room. Annual room tax revenues for 2011 were essentially flat over 2010, which is notable given that the Boy Scout Jamboree moved to West Virginia after the 2010 event.



2011	2010
October	October
\$105,689	\$95,945
November	November
\$108,204	\$106,004
December	December
\$80,181	\$74,332
Quarterly Totals	
\$294,074	\$276,281
Year to Date Totals	
\$1,146,220	\$1,153,223

Meals Tax Revenues Continue to Increase

People are eating out more and enjoying newly opened restaurants in the city as the 4th quarter meals tax revenue saw an 8.3% jump over the same quarter in 2010. 2011 meals tax revenue for the whole year was up 7.5% over 2010.



2011	2010
October	October
\$787,691	\$713,807
November	November
\$742,440	\$688,162
December	December
\$706,632	\$663,323
Quarterly Totals	
\$2,236,763	\$2,065,292
Year to Date Totals	
\$9,160,599	\$8,514,842

	2011	2010
October	7	4
November	0	5
December	2	2
Quarter Totals	9	11
Annual Totals	106	112

4th Quarter Building Permits for New Single Family Homes

The number of building permits for new single family homes in the city was down five percent from 2010.

Area Office and Retail Vacancy Rates Improved

According to market reports compiled by Thalhimer of Fredericksburg, the following area vacancy rates were noted for the 4th Quarter of 2011:

Retail	6.8%	(6.7% - 4th Qtr 2010)
Office	11.9%	(12.2% - 4th Qtr 2010)
Industrial	19.2%	(17.6% - 4th Qtr 2010)



2012 Restaurant Week Was the Most Successful in Its Six-Year History

Eighteen restaurants participated in the January Restaurant Week in downtown Fredericksburg, selling about 6,150 meals in the ten-day promotion, a 21 percent increase over 2011 sales. The event was bolstered by growing interest in local foods and cuisine, good weather, and the highest number of participating restaurants since the event was created.

Civil War Tours Are A Hot Topic at American Bus Association Marketplace



Economic Development and Tourism staff recently attended the American Bus Association Marketplace. Joining with All-In-One Tours and Receptive Services, the only professional tour company endorsed by the Civil War Trails program, the duo met with over 80 tour operators, many of them planning Civil War programs in late 2012 and throughout 2013.

The relationship between city EDT staff and All-In-One's owner spans 20 plus years and continues to produce city and regional sales with overnights, meals, attraction visitation, and partnerships with local guide services and the National Park Service. In 2011 All-In-One submitted a tour which won one of National Geographic Traveler's top 50 tours of a lifetime. For 2012 they have submitted a tour to National Geographic that covers Fredericksburg and the Peninsula Campaign. For more information on the tour click [HERE](#).



FRA Conducts Research for Local Governments and Existing Businesses

The Fredericksburg Regional Alliance (FRA) acts as a research resource for local governments and existing businesses seeking demographic and economic data. FRA utilizes several subscription-based services along with government reporting sites to obtain, analyze and report demographics and project future trends to those who are interested in the Fredericksburg Region.

[More](#)



Contact Us

The staff at the Fredericksburg Department of Economic Development and Tourism and the Board of Directors of the Economic Development Authority are committed to improve the quality of life in our City. Please feel free to contact us with your suggestions and comments.

Department of Economic Development and Tourism

706 Caroline St.
Fredericksburg, VA 22401
540.372.1216

[Economic Development and Tourism Website](#)

Karen W. Hedelt, Director, Economic Development and Tourism
khedelt@fredericksburgva.gov

Richard M. Tremblay, Assistant Director for Economic Development
rmtremblay@fredericksburgva.gov

Amy B. Peregoy, Marketing and Information Specialist
aperegoy@fredericksburgva.gov

Lura Hill, Manager, Tourism Sales
lhill@fredericksburgva.gov

Julie Perry, Manager, Visitor Center
japerry@fredericksburgva.gov

Fredericksburg Economic Development Authority Board

Joe R. Wilson, Chairman
P. Christopher Hornung, Vice-Chairman
Michael Colangelo, Treasurer
Amy L. LaMarca, Secretary
Dana Herlong
Robert Carter
Tom Crimmins

Contact: Richard Tremblay,
Assitant Director for Economic Development